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Office Memorandum • CONFIDENTIAL • UNITED STATES GOVERNMENT

TO : Deputy Director (Administration)

DATE: 30 January 1951

FROM :

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SUBJECT: Hearing by Senate Public Works Committee on Permanent Dispersal

1. On 30 January 1951 a public hearing was held by the Senate Public Works Committee on various aspects of the planned dispersal of certain federal activities from the seat of Government.
2. The hearing was primarily arranged to permit representatives of the nearby communities to submit their views on dispersal and how it would affect their particular community.
3. Representatives of Arlington and Fairfax Counties, Virginia and Montgomery and Prince George Counties, Maryland were in attendance. Mr. Reynolds, Commissioner of Public Buildings, and interested representatives of General Services Administration and the Public Roads Administration were also present. I attended the hearing as a spectator and not as a representative of Central Intelligence Agency.
4. Senator Holland, Chairman of the Public Works Committee, publicized a letter from the Director of the Bureau of the Budget dated 29 January 1951 which listed the agencies of the Government which were being considered for dispersal. A copy of this letter listing those agencies involved is attached. It should be noted that for security purposes CIA was not on this list.
5. It is proposed by the Bureau of the Budget that approximately 40,000 positions be dispersed; 25,000 of which would be military and 15,000 civilian. Again this does not include CIA personnel.
6. From the testimony it would appear that the Bureau of the Budget as well as the Public Works Committee is thinking along the lines of dispersing vital agencies which would be particularly concerned with any national emergency that might arise. It was pointed out that the list as submitted by the Bureau of the Budget was not an all inclusive one and further did not necessarily mean that those agencies on the list would necessarily be dispersed. They are merely the agencies that it is felt are closely connected with the defense of the country in a national emergency and ostensibly should be dispersed. Senator Holland stressed however that there is no "straight jacket" involved and that any of the agencies on the list would be permitted to express their views on why they should not be dispersed if they felt that to be the case.

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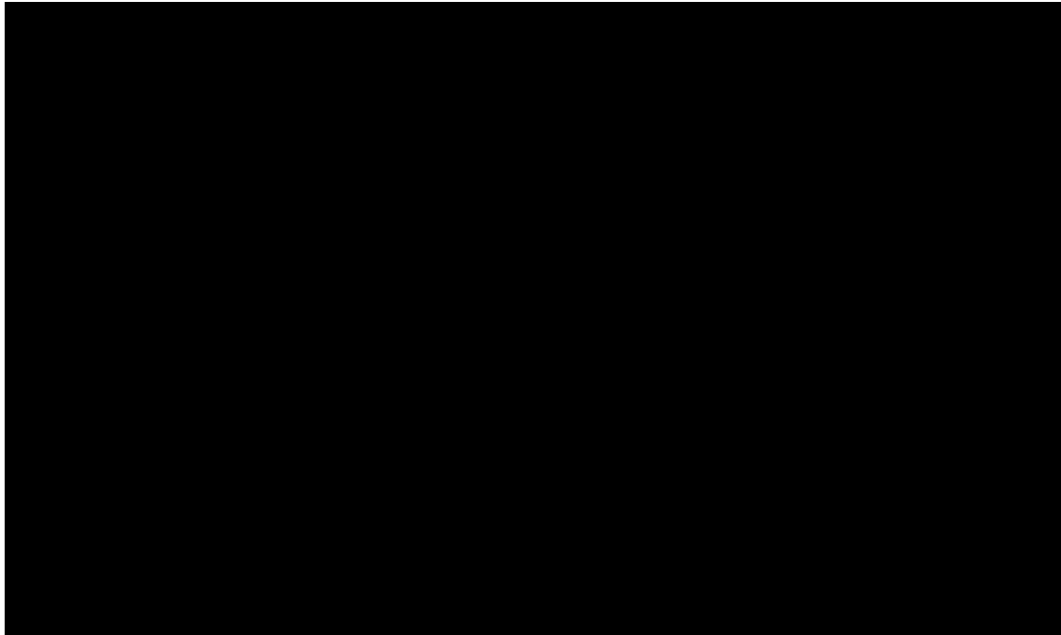
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7. Another important element discussed was the fact that there is no thought of establishing so-called federal cities or centers in the dispersal areas. The bill contemplates only the establishment of local office buildings. The federal Government would not sponsor nor financially support federal housing, schools, nor other facilities incident to the establishment of an office operation.

25X1A



other representatives. The only current suggestion that the various representatives had was that they would like to see incorporated into the bill funds to assist the local communities in their planning. Members of the Public Works Committee were not in favor of this inasmuch as it would merely add an obstacle that would have to be overcome in order to push the bill through Congress. The representatives of the local counties also stressed the desirability of 100 per cent co-operation and co-ordination among the federal, state, and county governments so that the sites selected would best meet the needs of the federal government and also offer less interference with the planning of the various county boards.

11. With respect to decentralization Mr. Lawton's letter increased the number of positions to be decentralized from 8,000 to 25,000 in order to relieve crowded and congested conditions in Washington. However the agencies involved in decentralization were not listed in his transmittal to the Public Works Committee.

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